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September 2, 2003

VIA FEDERAL EXPRESS

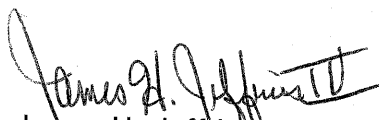
Honorable Deborah Taylor Tate
Chairman
Tennessee Regulatory Authority
460 James Roberson Parkway
Nashville, Tennessee 37243-0505

Re: Docket No. 03-00313

Dear Chairman Tate:

I have enclosed an original and fourteen copies of the Rebuttal Testimony of David R. Carpenter on behalf of Nashville Gas Company, a Division of Piedmont Natural Gas Company, Inc. Please accept the attached for filing and return one "file-stamped" copy to me.

Very truly yours,


James H. Jeffries IV

JHJ:bo

Enclosures

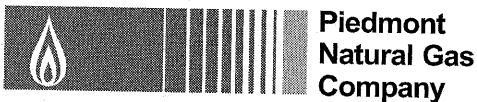
cc: All Parties of Record
Dale Grimes

**Before The
Tennessee Regulatory Authority
Docket No. 03-00313**

In the Matter of

Application of Nashville Gas Company,)
A Division of Piedmont Natural Gas)
Company, Inc., for an Adjustment of its)
Rates and Charges, the Approval of)
Revised Tariffs and the Approval of)
Revised Service Regulations)

**Rebuttal Testimony of David R. Carpenter
On Behalf Of
Nashville Gas Company,
A Division of
Piedmont Natural Gas Company, Inc.**



1 Q. Please state your name and your position with Piedmont Natural Gas Company.

2 A. My name is David Carpenter. I am employed by Piedmont Natural Gas Company,
3 Inc., (Piedmont) as Director of Rates.

4 Q. Have you previously filed testimony in this case?

5 A. Yes. I have filed direct testimony in this case.

6 Q. What is the purpose of your rebuttal testimony in this case?

7 A. The purpose is to address a revenue issue identified by the Tennessee Regulatory
8 Authority (TRA) Staff.

9 Q. Please describe the revenue issue.

10 A. In order to properly define the necessary revenue requirement, the Company
11 calculates attrition period revenues using current approved rates. As part of this
12 calculation the test period residential and commercial volumes are adjusted to
13 properly reflect usage that would be projected for a period of normal weather. Both
14 actual degree day information for the test period and 30 year normal degree day
15 information are utilized. This degree day data is supplied by the National Oceanic &
16 Atmospheric Administration (NOAA), as has been approved by the TRA. The
17 Company historically pulled this data from the Nashville Weather Station web site,
18 the source of NOAA data. During the TRA Staff audit it was discovered that the rate
19 case data does not match the data provided by NOAA. It was subsequently
20 determined that from time to time in recent years NOAA failed to post the required
21 data in a timely manner. In those instances when the Nashville Weather Station web
22 site was not posted in a timely manner, the Company used alternative sources for

1 internal reporting. This difference was not discovered during rate case preparation.

2 The impact of utilizing the NOAA data to properly normalize revenues has been
3 provided in response to TRA Staff data request.

4 Q. Have you determined the revenue requirement effect of this issue?

5 A. Utilizing the proper NOAA data would result in a decrease in attrition period margin
6 of \$832,222 therefore increasing the Company's revenue requirement by \$832,222.

7 The Company does not seek to update the filing for this adjustment.

8 Q. Does the Company intend to utilize the NOAA data in the rate case?

9 A. The Company proposes to use the NOAA revised data to both define the appropriate
10 customer WNA factors and to define billing determinates used to establish rate design
11 based on the revenue requirement approved in this rate case.

12 Q. Does the use of non-NOAA data effect the current WNA calculations for customers?

13 A. No. Both the actual degree day data and the normal degree day data in the
14 Company's customer billing system are the correct NOAA data. This has been
15 confirmed in the annual WNA audit performed by TRA Staff.

16 Q. Does this conclude your testimony?

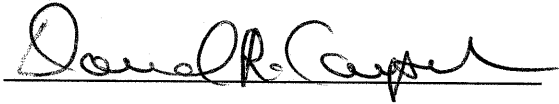
17 A. Yes it does.

Affidavit

State of North Carolina)
)
County of Mecklenburg)

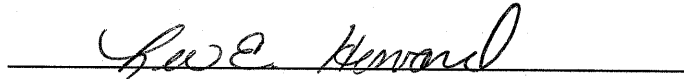
David R. Carpenter, being first duly sworn, deposes and says that he is the same David R. Carpenter whose prepared testimony and exhibits accompany this affidavit.

David R. Carpenter further states that, to the best of his knowledge and belief, his answers to the questions contained in such prepared testimony are true and accurate.



David R. Carpenter

Sworn to and subscribed before me, a Notary Public, on this the 27 th day of August, 2003.



My Commission Expires:

MY COMMISSION EXPIRES 10-29-05